



California Fair Political Practices Commission

April 6, 1989

Mr. Ben Gilmore
P.O. Box 905
Morgan Hill, CA 95037

RE: Your Request for Advice
Our File No. A-89-162

Dear Mr. Gilmore:

You have requested advice concerning the campaign disclosure provisions of the Political Reform Act (the "Act").¹

FACTS

You were a candidate for the state Assembly. You loaned your committee several thousand dollars. The committee is now soliciting and receiving funds in order to pay off the debt owed you.

QUESTION

May you use funds held in your committee's campaign account to pay off debts incurred prior to January 1, 1989? May your committee continue to solicit and raise funds after January 1, 1989 for the purpose of continuing to pay off this debt?

CONCLUSION

You may use funds held in your campaign account to pay off debts incurred during your last election. However, before soliciting or receiving contributions after January 1, 1989, you must file a Form 501 (candidate intention statement) and a Form 502 (campaign bank account statement). Forms 501 and 502 are filed with the Fair Political Practices Commission.

¹/ Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Administrative Code Section 18000, et seq. All references to regulations are to Title 2, Division 6 of the California Administrative Code.

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ANALYSIS

The Act was recently amended due to the passage of Proposition 73 on June 7, 1988. Proposition 73 requires that:

Any person who possesses campaign funds on the effective date of this chapter may expend these funds for any lawful purpose other than to support or oppose a candidacy for elective office.

(Section 85306.)

Regulation 18536.2 (copy enclosed) provides that campaign funds held by a candidate on the effective date of Proposition 73 (June 8, 1988) may be used for:

Payment of the candidate's or committee's campaign debts incurred prior to January 1, 1989, for goods consumed or services completed prior to January 1, 1989.

(Regulation 18536.2(b)(4)(A).)

In addition, Regulation 18536.2 sets out the other permissible uses of funds received prior to January 1, 1989.

Proposition 73 also requires that prior to the solicitation or receipt of any contributions after January 1, 1989, a candidate must file a statement of intention, Form 501. Proposition 73 added Section 85200 which states:

Prior to the solicitation or receipt of any contribution or loan, an individual who intends to be a candidate for an elective office shall file with the commission a statement signed under penalty of perjury of intention to be a candidate for a specific office.

Regulation 18520(a) (copy enclosed), also provides that the statement required under Section 85200 must be filed before soliciting or receiving contributions for an election that occurred prior to January 1, 1989.

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In addition, you must establish a bank account in a financial institution located in California. A Form 502 (campaign bank account statement), must be filed within 24 hours of establishing the campaign bank account. Also added by Proposition 73, Section 85201 provides:

(a) Upon the filing of the statement of intention pursuant to Section 85200, the individual shall establish one campaign contribution account at an office of a financial institution located in the state.

(b) Upon the establishment of an account, the name of the financial institution, the specific location, and the account number shall be filed with the commission within 24 hours.

(c) All contributions or loans made to the candidate, to a person on behalf of the candidate, or to the candidate's controlled committee shall be deposited into the account.

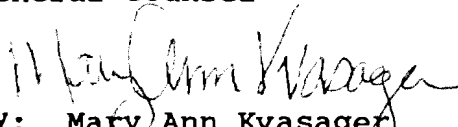
(d) Any personal funds which will be utilized to promote the election of the candidate shall be deposited in the account prior to expenditure.

(e) All campaign expenditures shall be made from the account.

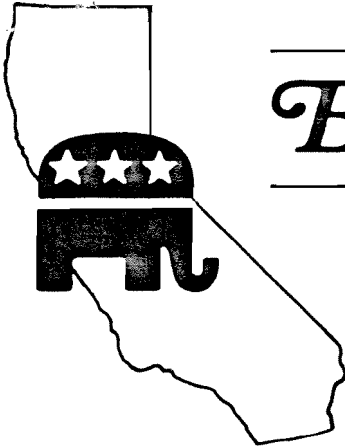
If you need additional assistance concerning this matter, please call me at 916/322-5662.

Sincerely,

Diane M. Griffiths
General Counsel


BY: Mary Ann Kvasager
Political Reform Consultant

Enclosures



Ben Gilmore



25th ASSEMBLY DISTRICT

P.O. Box 905, Morgan Hill, CA 95037 ☆ 408/779-3030.
FPPC ID No. 841193 Mrs. Claudia Bartosiewicz, Treasurer.

"No matter how much you may like your representative, as long as he sits in the Assembly with a Democrat name-tag, he is contributing to the majority control of Willie Brown, Caesar Chavez, and their supporters."

Secretary of State
P.O. Box 1467
Sacramento, CA 95812

2/28/89

Request for information, State Campaign Funding

As you can see on the letterhead, I have been a candidate for the state legislature.

I have not determined if I will run again. My campaign fund owes me several thousand dollars reimbursement. As occasional funds have been received by into the account, I have drawn against them as reimbursements and have continued to submit expenses in soliciting help with that deficite to the campaign committee account since 1/1/89.

None of the articles I have read on Prop 73 changes have covered recovery of such debt. I want to conform to the new regulations. Can you help us?

For better government--

Ben Gilmore



PC
1010 AM '89

Government by Principle. Not Pressure Group!



California Fair Political Practices Commission

March 14, 1989

Honorable Ben Gilmore
25th Assembly District
P.O. Box 905
Morgan Hill, CA 95037

Re: Letter No. 89-162

Dear Assemblyman Gilmore:

Your letter requesting advice under the Political Reform Act was received on March 10, 1989 by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact me directly at (916) 322-5662.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or more information is needed, you should expect a response within 21 working days if your request seeks formal written advice. If more information is needed, the person assigned to prepare a response to your request will contact you shortly to advise you as to the information needed. If your request is for informal assistance, we will answer it as quickly as we can. (See Commission Regulation 18329 (2 Cal. Code of Regs. Sec. 18329).)

You also should be aware that your letter and our response are public records which may be disclosed to the public upon receipt of a proper request for disclosure.

Very truly yours,

Jeanne Pritchard
Jeanne Pritchard
Chief Technical Assistance
and Analysis Division

JP:plh



Ben Gilmore



25th ASSEMBLY DISTRICT

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Ben Gilmore



PPC

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